

Fact Sheet

The Livestock Indemnity Program

Background

The Livestock Indemnity Program is an emergency effort administered by the Farm Service Agency (FSA) to help livestock producers who suffered losses from recent natural disasters. It provides a partial reimbursement to eligible producers for livestock losses.

Where Is This Assistance Available?

Livestock Indemnity Program assistance is available to eligible producers only in areas:

(1) Where a disaster occurred between October 1, 1996, and June 12, 1997 (inclusive); and

(2) For which a Presidential Disaster Declaration or Secretarial Disaster Designation was requested as a result of the disaster by June 12, 1997, and was subsequently approved.

Assistance is available only in counties named as primary disaster counties. Contiguous counties are not eligible for benefits under this program.

Who Is Eligible?

Eligible producers are those that:

(1) Own a substantial beneficial interest in eligible livestock;

(2) Have a financial risk in the eligible livestock;

(3) Suffered a loss of eligible livestock that is the direct or proximate result of the event for which the Presidential Declaration or Secretarial Designation was made. Losses must have occurred between October 1, 1996 and June 12, 1997;

(4) Are citizens of, or legal resident aliens in, the United States.

Eligible livestock categories are:

- Beef and dairy cattle;
- Sheep;
- Goats;
- Swine;
- Poultry, including egg-producing poultry;
- Equine animals used for food or the production of food;
- Buffalo and beefalo when maintained on the same basis as cattle.

Producers must provide documentation to support loss claims. Horses used for purposes other than human food or the production of food are not eligible.

How Is The Payment Calculated?

Animal categories and market values for the disaster period, and normal mortality rates will be used in the calculation of national payment rates. If the producer's loss is in excess of the normal mortality rate for the animal category, as established by Commodity Credit Corporation (CCC), the benefits are paid at the national rate set by CCC for those animal losses in excess of the normal mortality rate.

If the total calculated payments under all approved applications exceed \$50 million, a uniform reduction will be applied to each producer's payment so the total outlays will not exceed \$50 million.

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Will The Payment Be Reduced if I Have Private Insurance?

No. Livestock Indemnity Program payments are not adjusted to account for insurance indemnities received from other sources. This is to encourage producers to seek private means of minimizing their livestock production loss risk.

When Will Producers Be Reimbursed?

An advance payment equal to 33 percent of the approved amount will be issued upon approval of the application, normally within as little as two weeks. The remainder of the payment will be made after all applications have been received, and it has been determined whether or not a uniform reduction must be applied.

When And Where Can I Sign Up?

The sign-up period for assistance will begin June 30, 1997, and end July 25, 1997. Application should be made at the FSA county office serving your area.

Further information is available at your local FSA county office. These are usually listed in telephone books under "United States Government, U.S. Department of Agriculture." You may also obtain information from FSA's Home Page at: www.fsa.usda.gov

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